

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** January 11, 2008

**Bill Number:** H. B. 4442

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**Committee Requesting Impact:** House E&PW

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### Bill Summary

A bill to amend Section [56-3-3310](#), as amended, Code of Laws of South Carolina, 1976, relating to the issuance of special license plates to recipients of the Purple Heart, so as to delete the provision that establishes a fee for the license plate, and to provide that there is no fee for the license plate.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to reduce funds allocated to state agencies by a total of \$32,000 in FY 2008-09, and annually thereafter. The total loss is apportioned as follows: DMV, \$6,617; State Highway Fund within DOT, \$14,845; and SIB, \$10,538. This bill would not impact General Fund Revenue.

### Explanation

Currently, a certified recipient of the Purple Heart may purchase up to two special license plates in the "PH" series for applicable private passenger vehicles or motorcycles at standard biennial fees of \$20 - \$24 for an auto, based on age; \$30, light truck; and \$10, motorcycle. This bill provides for the Department of Motor Vehicles (DMV) to charge no fee to issue or renew a Purple Heart plate.

Based on DMV historical data, we estimate an average of 1,242 plate registrations would be renewed annually in this series. Of this total, a likely distribution is as follows: 820 autos; 405 light-duty trucks; and 17 motorcycles. Since accounting for age differentials would have minimal net impact, the top rate of \$24 is used to estimate lost revenue from auto fees. Multiplying respective fees of \$24, \$30 and \$10 by the aforementioned vehicle splits yields a total revenue loss of \$32,000 in FY 2008-09, and annually thereafter. Beginning in FY2008-09 the annual loss pursuant to statutory provisions is apportioned to state agency funds as follows: DMV, \$6,617; the State Highway Fund within the Department of Transportation (DOT), \$14,845; and the Strategic Infrastructure Bank (SIB), \$10,538. No revenue from these plate fees is currently allocated to the state General Fund. This bill, therefore, is not expected to impact General Fund revenue in FY2008-09 and thereafter.

**Analyst:** Di Biase

/s/ William C. Gillespie  
William C. Gillespie, Ph.D.  
Chief Economist

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).